

example, consumes most of the Medicare dollars, essentially as a result of problems relating to heart disease and diabetes and a host of other illnesses that could be prevented. Of course, it is well understood by every Senator that there is a demographic avalanche coming with many more older people.

So with the facts not in dispute, with the country saying act now, don't put this off for another 2 years, the Senate has an opportunity to work in a bipartisan way.

Senators on my side of the aisle have made it clear—correctly in my view—that we have to get everybody covered. It is not right for this country to be the only western industrialized nation that cannot figure out how to get everybody under the tent. It is important to get everybody covered.

Senator BENNETT and others on the Republican side of the aisle have been correct in saying the public doesn't feel comfortable with the idea of having Government run it all. The people in my State voted against what is known as a "single payer plan" in 2002 by a 3-to-1 majority.

What Senator BENNETT and I have put together, for the amount of money that is being spent today, is a bill that will save close to \$1.5 trillion over the next 10 years. It is legislation you can explain at any townhall meeting in Montana, Oregon, or anywhere else, and that is that every citizen would have access to a private health policy at least as good as their Member of Congress has. It is very simple to understand.

I have a Blue Cross card in my pocket. I was able, during the period of open enrollment, which the Senator from Montana experienced when he came to the Senate, to make choices, make an evaluation of the various private health policies that were offered to me. As a result, my children and I have that private health coverage. I want that same set of choices and set of opportunities for those whom I represent and the people of this country.

My good friend Senator BENNETT has joined me on the floor. I am going to yield soon for him to speak.

I think the debate in the Senate has reached the critical moment, at least for this session of Congress. We know we have to get action on major issues in 2007. We are going to spend a lot of time next year electing a new President. You probably don't have to have the President actually sign a piece of legislation in 2007, but you have to get serious action. Senator BENNETT and I believe there is an opportunity today that we have not had in years and years, and that is to bring Democrats and Republicans together to work for universal coverage.

My friend Senator BENNETT has made the point very eloquently that we are already paying for it today. We are just not, in many respects, getting our money's worth. So we have spent a great deal of time listening to folks in the private sector, in business, and

labor, and Government, Democrats and Republicans, and we want to bring the Senate together.

I also point out that the Healthy Americans Act, which Senator BENNETT has agreed to be the lead Republican sponsor on, mirrors the letter that 10 Senators—5 Democrats and 5 Republicans—sent to the President earlier this year, indicating we want to work with him. Health care has been studied and studied. The time for action is now. I am very pleased my good friend Senator BENNETT is going to be joining me in this effort.

I repeat to the Senate, this is the first time in more than a decade there has actually been a bipartisan piece of legislation to provide for universal health coverage in America. The last one, in fact, was largely developed by the late Senator Chafee, who sought to do much of what Senator BENNETT and I are seeking to do.

With that, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Utah is recognized.

HEALTHY AMERICANS ACT

Mr. BENNETT. Mr. President, I appreciate the comments of my friend from Oregon. I wish to make it very clear that if it were not for his dogged persistence in going after the issue of health care reform in this Congress, we would not be where we are. Many of us talk about this. We talk about it in the dining room. We talk about it as we are waiting between rollcall votes. We sit in the cloakroom and say, wouldn't it be great? Yes, why don't we do it? It would be fabulous if. . . .

Senator WYDEN goes beyond the talk. He is determined to go after this. He and I have had a number of conversations, and I know he has had conversations with the administration at the White House and at the Department of Health and Human Services. He is a bulldog on this issue. If it gets done, it will be a tribute to his tenacity. I am beginning to believe it will get done. I am getting his enthusiasm.

I want, for a moment, to spend a little time on history so we can understand how we got in the mess we are in, and why the proposal Senator WYDEN has laid down—and I am proud to co-sponsor—is the right direction in which to go. We got in the mess where we are with health care back in the Second World War, when the Federal Government decided, once again, it was going to repeal the law of supply and demand. I have said here many times, if I can control what we carve in marble around here to remind us of our duties, along with these Latin phrases I love, we should also have something before us that says you cannot repeal the law of supply and demand. The law of supply and demand is as immutable as the law of gravity. Because it occurs in economics, some people think we can get around it.

In the Second World War, we had wage and price controls. We were going

to prevent inflation by Federal fiat. In other words, we were going to repeal the effects of the law of supply and demand. All right, so that means if I had an employee, I could not give him a raise. All right. Senator WYDEN opens a business and he wants my employee. Since it is a new job, he offers my employee more than I can pay, and I cannot match that because it is against the law. So in order to hold my employee, I say: I will tell you what I will do: instead of giving you a raise in dollars that you can put into your paycheck, I will give you a raise in value. The value will be a health insurance policy that is worth more than Senator WYDEN is offering you in money. And here is the good thing about it: You won't have to pay taxes on this raise. I will pay the taxes on it; that is, it will be deductible. You won't have to pay taxes on it. So you get more value and you get a tax break. Isn't that a good deal? And the employee says: Yes, I will stay with you instead of switching jobs because you can, in fact, get around the Government's effort to prevent you from giving me a raise.

That sounds innocent enough, but it started us down the road of having the employer spending the employee's money. They say, no, that is not employee money, that is employer money; the employer is paying for it. No, he is not. The employee earned that amount of money, returned that amount of value to his employer, but he didn't get it in his W-2. That meant the employer ultimately determined how it would be spent. So we started down the road to where there is a major divide in paying for health insurance. The employer is spending the employee's money, but the employer wants to hold that amount down because it will mean savings in his overall business plan.

So the primary economic motive on the part of the employer is to hold the costs down. He will make a deal, therefore, that produces a temporary, short-term cost advantage for him. The consumer of the service, the employee, has a different agenda. He wants the best care he can get. But since he doesn't control the dollars, even though they are his dollars in terms of his earnings, he is stuck with whatever decision the employer makes.

That might make a little bit of sense if the employee stays with the employer his entire career. But we have gone long beyond that. I tell graduates of the university they can expect to change jobs 10 times before they are 50, and they may even change careers. You may be trained as a veterinarian and end up as a Senator. We have two examples of that here in the Senate today. I thought I was going to spend my entire career in the glass and paint business, a business my grandfather founded, my father ran, and when I graduated, I assumed I was going to be there for the rest of my life. I was there for 4 years, and a change came along, and then there was another change. I sat down when I was 50 and

discovered I had changed jobs 17 times from the age of 20 to the age of 50. In terms of health care, that meant 17 times I was exposed to having my health care canceled—17 times, when they were worried about preexisting conditions; 17 times when I would be in a situation I would not like. Indeed I was, because there was a period in that 30-year timespan when I had no health coverage at all. The employer I was working for could not provide it, or under some circumstances I had no employer, period.

So I understand how the precedent set in the Second World War simply doesn't apply to the 21st century. If we were to have a system where the employee controls his dollars—not the employer—and takes the product he buys with those dollars with him from employer to employer, we could solve an enormous amount of the problems we have in health care.

Let's talk about overall costs. John Goodman had a piece in the *Wall Street Journal* where he talked about quality. He pointed out a study that said the best quality in health care can be found in three cities in the United States. One was Seattle, WA; one was Rochester, MN—and the Mayo Clinic comes to mind—and the third was Salt Lake City, UT. Naturally, that makes me feel pretty good. It pointed out if every American received the kind of health care that was available in Salt Lake City, UT, the cost would go down by one-third and the quality would go up substantially.

So why doesn't everybody do that? Because they can't take their dollars and shop. They are stuck with whatever plan the employer decides to buy, and even as he is buying, the employer does not have transparency or information that would say to him: The best health care is available at Intermountain Health Care in Salt Lake City. Instead, the salesman who comes in to sell the employer the policy will say: I can save you this much money in this kind of situation. All right, I will buy that policy. The focus is on the dollars rather than the quality.

This is an ironic situation that when quality and competition is focused on, cost comes down automatically. That is what happens in the rest of the economy. Why shouldn't it happen in health care? It doesn't happen in health care because of what we did in World War II, and the legacy of that has followed downward.

What about Government health care? One of the problems with Government health care is we do it in Congress. Every private health care plan had a drug component decades ago. Medicare didn't have a drug component until the last Congress. Why? Because we in Congress couldn't agree as to what it should be. We always agreed there should be one, but we argued about it: It should be better, it should be smaller, we have a doughnut hole. All of the things we talked about that the average consumer knows nothing about or

cares nothing about tied it up for decades.

We finally passed Part D. There were dire predictions that it wouldn't work because it wasn't a Government-run plan. It let in private competition. It allowed the senior citizens to make a choice between private offerors. And what has been the consequence of that?

We have some statistics: 2,596 different plans are now being offered around the United States. People are stunned at that number. They thought it would be a monopoly of big drug companies. But when the customer could choose and niche markets opened up, drug companies started to offer products in those niches, and the number of choices exploded.

I have heard the Senator from Wyoming say: We were worried about Wyoming because Wyoming is so small. We didn't think there would be more than one or two plans in Wyoming, if anybody wanted to come at all. We thought Wyoming would be bypassed by Medicare Part D.

There are now 34 Medicare Advantage plans in Wyoming—plenty of choice—and the polls show that something in excess of 80 percent of the seniors like Medicare Part D.

What has happened to the cost? It is one of the few Government programs that I can identify where the cost has come in below projections.

The one thing I always say on the floor of the Senate is, we know every projection with respect to Government plans is always wrong. We don't know whether it is wrong on the high side or wrong on the low side, but we know it is always wrong. But if you are going to bet, bet that it is wrong on the low side. Bet that the program will cost more than we project or than CBO projects. This is one that has come in below.

All of these straws in the wind tell me Senator WYDEN is on to something very significant. It is the Healthy Americans Act which says let the people control their own money. Let the people have their own plan that is going to give us better quality and lower costs.

We look around the world and we see other countries that have tried the single-payer system, and they are retrenching. We look around the world and we see other countries that tried a consumer-driven health care plan, and they are prospering with respect to getting their health care costs down.

With that history, Mr. President, I am proud to be the Republican cosponsor with Senator WYDEN and salute him once again on his leadership and his tenacity in getting this program moving forward.

The ACTING PRESIDENT pro tempore. The Senator from Oregon.

Mr. WYDEN. Mr. President, I believe we have about 13 additional minutes to go. The distinguished Senator from Utah has given a superb description of the history and why it is time to break with 60 years of policy. I would like to,

because the distinguished Senator was there during the last effort, the 1993–1994 debate, get his sense about how the approach that we have been talking about—linking together universal coverage with these private choices that individuals would make—is it the Senator's judgment that had that been done in 1993 and 1994 with the efforts of Senator Chafee, himself, and others that we might well have been able to pass legislation right then, 15 years ago, had we taken this approach?

Mr. BENNETT. Mr. President, I say to my friend from Oregon that some of us proposed that during that debate. He is right to mention John Chafee. John Chafee was a towering figure in this body. He was the head of the Republican health care task force. We talked about an individual mandate as opposed to an employer mandate.

The core of the bill that was on the Senate floor, sponsored by then-majority leader George Mitchell, was an employer mandate. And in the partisan nature of that debate, we Republicans organized ourselves to stop that bill. We divided the bill into various sections, and my assignment was to attack the employer mandate. I had a stack of material that high to help me do that with my fellow Senators. But as I would talk with people on the other side, I would say: Let's talk about an individual mandate. I think everyone should have some kind of coverage.

I think it is in society's best interest to have everyone have some kind of coverage. We do it with auto insurance. You can't drive if you don't have an individual insurance plan. So that is how we get universal coverage.

The political stars simply weren't lined up to deal with it. But this is not a new idea. It was around that long ago, and if we had done it, I think we could have passed legislation.

Mr. WYDEN. Mr. President, I appreciate the Senator's comments.

The other area I have picked up over the last 15 years where there has been dramatic interest and is an opportunity for bipartisanship—and I have heard the Senator from Utah talk about it—is this area of prevention. We know with the Medicare Program that something like 4 percent of those on Medicare consume over half the dollars because we are seeing so much of the health care money go to treatment of what are often preventable illnesses—heart disease, diabetes, stroke, and others.

What we have tried to do in the Healthy Americans Act is to create some incentives for families and prevention, and, for example, if parents took a youngster to a wellness program—they wouldn't be required to do it, although we know it makes sense—the parents would be eligible for a discount on the parents' premium, again using these voluntary incentives.

What is the Senator's sense for the opportunities for prevention? I have

been struck by some of what the Senator from Utah has said about prevention in the past.

Mr. BENNETT. Mr. President, the record is very clear that when people spend time taking care of themselves, their health care costs go down dramatically. We had examples presented to us from companies that have done that; that is, companies that have been very aggressive in trying to make sure their employees stay healthy rather than simply pay for what happens when they get sick.

The CEO of General Mills was with Senator WYDEN and me at the press conference this week in which he talked about the things they have done in their company. They have held their health care cost increases to the level of inflation. We would all be thrilled with that because health care costs have been going up in double digits for years now.

People respond to incentives, and if there are incentives for parents, incentives for employees to stay healthy rather than simply waiting for the ultimate bill to come along, we will make a significant difference.

If I can be personal for one quick moment, I once worked for Howard Hughes. In the Hughes organization in the 1960s and 1970s, we had absolutely total health care coverage. Anything that had to do with health care, we would send in the bill, and it would get paid 100 percent. I sent in my kids' orthodontist bills, and they paid for straightening their teeth. There wasn't any concern about what was covered or what wasn't. I figured I could have sent in the vet bills for my dog and probably gotten reimbursed, but I didn't do that.

I look back on that and the sense of security and abundance that came from that led me to overuse the system and to not worry about how well we were because they would take care of us. So I have had a personal experience about how important it is to pay attention to health at the front end.

Mr. WYDEN. I close, Mr. President—and the Senator has been very gracious to do this with me this morning—with why it would be important to have a bipartisan initiative now. As we have discussed, the conventional thinking is that the Congress can't deal with something such as this now; that this will be for the next President. But I think the two of us would very much like to bring the Senate together behind what the country wants to do today, which is to fix health care.

I have always gotten the sense that when you have divided Government—the President of one party, the Congress of another—that is the ideal time to try to bring the Congress together to tackle a big issue, and there is nothing bigger than health care at home. I think it would be appropriate.

I appreciate the Senator from Utah for coming and for his support, to hear his thoughts on bringing the Congress together and the country together to finally deal with an issue where there

has been so much polarization in the past.

Mr. BENNETT. Mr. President, there is nothing that succeeds in politics like good programs, like good policy. Ronald Reagan didn't invent it, but he is known for repeating it, saying there is no limit to the amount of good you can do if you don't care who gets the credit. Far too much of the partisanship stems from the fact that we don't want the other party to get credit for solving the problem.

When I have had discussions across the aisle about this and Social Security, I get told: BOB, we will address that right after the next election. The next election never comes because there is always a next election.

The Senator from Oregon is exactly right in that for the first time since Dwight Eisenhower's election, we have an election where there is not an incumbent in the White House on the ballot, either a sitting President or a sitting Vice President. So the Democrats who control the Congress have a political motive to show they can do something as they go into the 2008 elections.

The Republicans cannot try to take credit for that with their candidate because they are not going to have a candidate who is part of the present administration. But the Republicans want to be able to say: Well, at least in the last days of the Bush administration something important got done.

The setting is rare. We should take advantage of it. This is the moment, and I join with the Senator from Oregon in an attempt to seize it.

Mr. WYDEN. I thank my colleague from Utah. I see other Senators who are wishing to speak. We will be back to talk with Senators about this issue, to urge action in 2007, to support a bipartisan push in the Senate to deal with the premier domestic issue of our time.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

HIGH GAS PRICES

Mr. KYL. Mr. President, my two Texas colleagues and I would like to talk about the Democratic response to high gas prices. Given the fact I believe we have about 12 minutes, we may just have a colloquy instead of each giving presentations.

Let me begin by making a couple of points. The press reported yesterday that U.S. average retail gas prices rose to an overall alltime high, breaking \$3 a gallon. I know I paid \$3.04, and this is up just about 20 cents a gallon over the last 2 weeks. Every family feels this pinch.

Now, Democrats understand this, and that is why last year—and I know because I was going through a campaign at the time—they attempted to capitalize on a similar spike in gas prices. They held press conferences all across the country pledging to lower gasoline prices.

Let me read one of the headlines that resulted from this publicity blitz from the New York Times. It says: "Democrats Eager to Exploit Anger Over Gas Prices." This is an April 21, 2006, article, which reported, and I am quoting:

The recommendations of a memorandum sent by Democrat campaign officials to Democratic candidates include holding a campaign event at a gas station where you call for a real commitment to bringing down gas prices.

I guess you can say: That was then, this is now. Now that the Democrats are in charge, the question is, What have they done about the problem they were all too quick to exploit back during the campaign? As far as I can tell, the answer to that question is, exactly nothing. In fact, they tried to and to some extent did prevent Republicans, when we were in control last year, from initiating a series of reforms that would have actually done something about the problem and might have prevented some of what we see now. We were finally able to get legislation passed to open the deep waters off the Gulf of Mexico for oil and gas exploration to bring more supply on line—that was a very positive development—but when we tried to do other things, we were stopped by the Democrats.

I think it is important for us to challenge our colleagues on the other side of the aisle who were very interested in the American public having to pay high gas prices back during the campaign last year. Well, you are in charge. What have you done about it? The answer, so far, appears to me to be, exactly nothing.

Let me say to my colleague from Texas that I know a lot of our problem is because of regulations that inhibit oil refineries from improving their capability to refine more oil and gas or building new refineries. It is very sensitive to what happens at the refineries. My recollection is that there was a recent fire at one of the Texas refineries.

Is it the case that we could do some things—and tried last year to do some things—to make it easier from a regulatory standpoint for oil refineries to increase their capacity? And isn't this one of the ways Republicans have tried to ensure we have a larger supply, which would, therefore, reduce the price of gasoline to our consumers?

Mrs. HUTCHISON. Mr. President, actually, that is absolutely right, and I will say to the distinguished Senator from Arizona that is only one of the problems we have, and it is the reason my husband walked into the house this weekend and said: I just spent \$70 filling my gas tank; what are you going to do about it? Like every one of us, I am sure, who has this same experience, I think we should be doing something about it. We should be doing a variety of things about it.

Senator KYL specifically asked about the refinery capacity. We are very tight on refinery capacity. We did pass legislation in the last Congress that